



FOR IMMEDIATE RELEASE

Oak View National Bank Announces Second Quarter Earnings

Warrenton, VA., July 31, 2018--Oak View National Bank (OTC Pink: OAKV) reported net income for the quarter ended June 30, 2018 increased 9.2% to \$373,917 compared to the second quarter of 2017 and increased 33.4% to \$739,270 for the six months ended June 30, 2018 from \$554,055 for the six months ended June 30, 2017. Basic and diluted earnings per share for the second quarter of 2018 were \$0.13 compared with \$0.12 per share in the second quarter of 2017 and \$.26 for the six months ended June 30, 2018 compared to \$.19 for the six months ended June 30, 2017.

Return on average assets (ROAA) was .64% for the second quarter of 2018 compared to .67% for the second quarter of 2017 and increased to .65% for the six months ended June 30, 2018 from .55% for the six months ended June 30, 2017.

Return on average equity (ROAE) was 7.14% for the second quarter of 2018 compared to 6.89% for the second quarter of 2017 and increased to 7.16% for the six months ended June 30, 2018 from 5.64% for the six months ended June 30, 2017.

Michael Ewing, Vice Chairman of the Board and CEO said, "The Bank has enjoyed outstanding loan growth in the current quarter and first six months of 2018. At the same time however, increases in short term rates and local competition have combined to force the Bank to become more aggressive in its deposit gathering efforts which has impacted our net interest margin. While the environment is challenging, we believe we can manage our growth and continue to improve our overall profitability."

Net interest income increased by 11.9% in the quarter ended June 30, 2018 to \$1.99 million from \$1.78 million for the quarter ended June 30, 2017. The net interest margin decreased to 3.63% for the quarter ended June 30, 2018 compared to 3.75% for the quarter ending June 30, 2017. The average yield on earning assets increased 14 basis points to 4.49% for the quarter ending June 30, 2018 from 4.35% for the quarter ending June 30, 2017 however the cost of funds increased by 32 basis points to 1.09% in the second quarter of 2018 from .77% for second quarter of 2017. The ratio of average interest-earning assets to interest bearing liabilities decreased to 126.76% for the quarter ending June 30, 2018 from 128.8% for the quarter ending June 30, 2017.

Loans, net of unearned interest and deferred costs, increased 19.6% to \$201.0 million at the end of the second quarter 2018 compared to \$168.1 million at June 30, 2017. The bank had non-performing loans as of June 30, 2018 totaling \$526,064 and for the quarter ending June 30, 2018, there was a loan loss provision of \$56,345 compared to a loan loss provision recovery of \$45,959 for the quarter ending June 30, 2017. The allowance for loan losses was \$1.84 million or .91% of total loans at June 30, 2018 compared to \$1.66 million or .99% of total loans at June 30, 2017.

Total deposits ended the quarter at \$193.4 million, representing an increase of 18.7% compared to \$162.9 million at the end of the second quarter of 2017. Total bank assets ended the quarter at \$241.2 million, representing an annual growth rate of 17.9% compared to the same period last year.

Noninterest income increased by \$33,934 or 23.2% to \$178,892 for the quarter ending June 30, 2018 compared to the quarter ending June 30, 2017 due to higher levels of income received on service charges on deposit accounts, card fee income, rental income and mortgage loans originated for the secondary market.

Noninterest expenses increased by \$140,665 or 9.4% for the quarter ending June 30, 2018, compared to the quarter ending June 30, 2017 the majority of which was attributable to higher personnel expense, higher volume driven data processing costs, marketing expense, and higher professional services expense.

Income tax expense was lower due to the reduction in the Federal tax rate effective January 1, 2018.

Oak View National Bank is a locally owned and managed community bank offering a full range of financial services for commercial and retail customers, as well as not-for-profit entities. Oak View National Bank serves Fauquier, Culpeper and surrounding counties with offices in Warrenton, Marshall and Culpeper. Visit us at www.oakviewbank.com. Member FDIC.

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For additional information, contact Jennifer Knighting, Senior Vice President/Director of Sales & Marketing, Oak View National Bank, at 540-825-2570.

OAK VIEW NATIONAL BANK**Balance Sheets**

June 30, 2018 and 2017

	(Unaudited)	
	2018	2017
Assets		
Cash and due from banks	\$ 3,255,250	\$ 2,268,271
Federal funds sold	6,095,000	3,343,000
Interest-bearing deposits in other banks	15,832,002	15,822,586
Securities held to maturity, at cost	2,649,949	2,650,219
Restricted stock, at cost	1,987,450	1,738,000
Loans, net of allowance for loan losses of \$1,835,421 and \$1,660,973 for 2018 and 2017, respectively	199,132,680	166,439,915
Premises and equipment, net	5,772,228	5,768,239
Accrued interest receivable	581,700	442,921
BOLI investment	4,919,847	4,797,627
Deferred tax asset	529,200	837,785
Other assets	425,449	522,977
Total assets	<u>\$ 241,180,755</u>	<u>\$ 204,631,540</u>
Liabilities and Shareholders' Equity		
Liabilities		
Deposits:		
Noninterest bearing	\$ 40,369,905	\$ 35,199,013
Savings, interest-bearing checking and money market accounts	74,329,710	66,455,806
Time deposits	78,678,730	61,244,349
Total deposits	\$ 193,378,345	\$ 162,899,168
Federal Home Loan Bank advances	25,800,000	20,900,000
Accrued expenses and other liabilities	875,999	728,354
Total liabilities	<u>\$ 220,054,344</u>	<u>\$ 184,527,522</u>
Commitments and Contingent Liabilities	<u>\$ --</u>	<u>\$ --</u>
Shareholders' Equity		
Preferred stock		
\$ 5 par value, authorized 2,000,000 shares, None issued and outstanding	--	--
Common stock		
\$ 1 par value, authorized 10,000,000 shares, 2,873,456 shares issued and outstanding at 6-30-2018; and 6-30-2017	\$ 2,873,456	\$ 2,873,456
Additional paid-in capital	17,427,382	17,427,382
Retained earnings (deficit)	825,573	(196,820)
Accumulated other comprehensive income	--	--
Total shareholders' equity	<u>\$ 21,126,411</u>	<u>\$ 20,104,018</u>
Total liabilities and shareholders' equity	<u>\$ 241,180,755</u>	<u>\$ 204,631,540</u>

OAK VIEW NATIONAL BANK
Statements of Operations
For the Quarters Ended June 30, 2018 and 2017

	(Unaudited)	
	2018	2017
Interest and Dividend Income		
Interest and fees on loans	\$ 2,316,243	\$ 1,941,306
Interest on held to maturity securities	29,670	29,669
Dividends on restricted stock	26,736	22,130
Interest on interest-bearing deposits in other banks	72,081	62,926
Interest on federal funds sold	18,554	8,583
Total interest and dividend income	\$ 2,463,284	\$ 2,064,614
Interest Expense		
Interest on deposits	\$ 359,660	\$ 219,780
Interest on Federal Home Loan Bank advances	110,713	64,093
Interest on federal funds purchased	-	152.23
Total interest expense	\$ 470,373	\$ 284,025
Net Interest Income	\$ 1,992,911	\$ 1,780,589
Provision for Loan Losses	56,345	(45,959)
Net interest income after provision for loan losses	\$ 1,936,566	\$ 1,826,548
Noninterest Income		
Service charges on deposit accounts	\$ 27,676	\$ 18,737
Card fee income	67,643	52,088
Income on BOLI	29,529	31,383
Other income	54,044	43,051
Total Noninterest Income	\$ 178,892	\$ 145,259
Noninterest Expenses		
Salaries and employee benefits	\$ 967,824	\$ 928,878
Occupancy and equipment expense	128,195	124,913
Professional services	97,563	68,619
Data processing	226,614	197,521
Promotional and marketing	70,444	39,340
Other operating expenses	151,505	142,210
Total noninterest expenses	\$ 1,642,145	\$ 1,501,481
Net Income Before Tax	\$ 473,313	\$ 470,326
Income tax expense	99,396	127,834
Net income	\$ 373,917	\$ 342,492
Earnings per Share , basic and diluted	\$ 0.13	\$ 0.12